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MARK D. WALDRON
Chapter 11 Trustee
6711 Regents Blvd. W., Suite B
Tacoma, WA 98466
Telephone: (253) 565-5800

The Honorable Frederick P. Corbit
Chapter 11

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

In Re:)
GIGA WATT INC.) Case No. 18-03197-FPC11
Debtor.) CHAPTER 11 TRUSTEE'S MONTHLY
) FINANCIAL REPORT FOR JUNE 2019

COMES NOW Mark D. Waldron, the Court-appointed and acting Chapter 11 Trustee in the above proceeding, and files this Monthly Financial Report for the month of June 2019. Attached to this report are the Ledger Report (Exhibit 1), Operating Statement (Exhibit 2), and bank statement for June 2019 (Exhibit 3), incorporated herein by reference.

Significant developments during reporting period:

1. The Estate continues to operate the Moses Lake facility. Mining revenues were over \$400,000.00, with an additional \$53,000.00 of revenue, primarily from the subtenant for its rent and proportional obligation for the utilities.

Specifically, for the month of June 2019, revenue generated from mining activities totaled \$446,876.24, of which 46% was attributed to Bitcoin mining, 13% to Ethereum mining and 41% to Litecoin mining. While the price of Bitcoin went up in June from May, Litecoin and Ethereum both experienced a month on month price decline. Despite these opposite movements, monthly revenue still grew from May's revenue \$377,331.77, an increase of 18%. (It should be noted that these figures are reported



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1 based on an actual calendar month, however the funds are transmitted to the estate on a
2 weekly basis.)

3 From an operational perspective, additional bitcoin miners were placed into
4 production in the month of June, increasing from 21.53 PHs to 23.94PHs, an increase
5 roughly equivalent to 172 Bitcoin mining machines. We did experience a major power
6 outage on June 27, 2019, however power was restored within 24 hours.

7 Recall that the estate is on an accelerated repayment schedule to the
8 landlord at the Moses Lake facility. The landlord was owed past due rent, past due power
9 payments, and other costs and expenses. The landlord also posted a bond and paid the
10 catchup power payments in order to allow the Debtor to restart operations at Moses Lake.
11 Rent and utility payments are current and the Trustee continues to aggressively repay the
12 past due amounts which were owed when the Trustee took over operations. While Exhibit
13 2 seems to indicate that there was a loss during the month of June 2019, the negative
14 number arises only as a result of the Trustee paying additional amounts to the landlord
15 from cash reserves in order to more rapidly reduce that obligation. The sooner the landlord
16 is fully repaid, the sooner that the net revenues will be available to benefit other creditors
17 going forward.

18 2. The Trustee is working on restarting operations at the TNT facilities in East
19 Wenatchee. The rent is current, however the Douglas County PUD is owed approximately
20 \$48,000.00 in past due power payments, which were incurred prior to the Trustee's
21 appointment and will require a deposit of \$100,000.00 before they will energize the facility.
22 The Trustee has been working on obtaining a DIP loan in order to commence operations.
23 Based upon the actual physical inventory and the projections of the estate's consultants,
24 it is projected that operation of this facility will result in a substantial net profit to the estate.
25 Trustee hopes to finalize the details and obtain a commitment in the near future.
Application and notice will follow shortly thereafter.



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1 3. During the month of June 2019, the Trustee again met with the Douglas
2 County PUD and its various attorneys to discuss the Pangborn site. Recall that Giga Watt
3 entered into a lease with the Port of Douglas County for property at the Pangborn area
4 industrial park and likewise entered into a power contract with Douglas County PUD. The
5 Trustee has been working on legal and factual evaluations of this site. There is no power
6 to the primary site and the PUD served a termination notice on the Debtor, pre-petition.
7 Likewise in June 2019, the deadline for assuming or rejecting the Pangborn Port lease
8 occurred. Without any ability to assume the lease or to obtain power (if the power contract
9 was terminated pre-petition as alleged, the Debtor would have to apply as a new customer
10 and the Douglas County PUD has placed a one-year moratorium for any new customers),
11 the estate was unable to agree to the assumption terms requested. Therefore, the lease
12 was rejected. The Trustee is working on terms of an agreement to capture any realizable
13 value of the property located at the Pangborn site, in coordination with an agreement with
14 the Port of Douglas County. This event was unfortunate, but was beyond the control of the
15 Trustee and based upon pre-petition events.

16 4. The estate employed a CPA firm to prepare the tax reports which are
17 required, specifically the State of Washington, Department of Revenue reporting. Due to
18 the lack of financial records of the Debtor, the Trustee is working with Department of
19 Revenue to properly report to the State of Washington from the date of the bankruptcy
20 filing through the end of the second quarter of 2019. Those reports are due by July 25,
21 2019 and will be filed prior to that date. The estate will pay the corresponding business
22 and occupation taxes due as well. Except for the B&O taxes, at month end the Debtor was
23 not delinquent on any post-petition tax obligations.

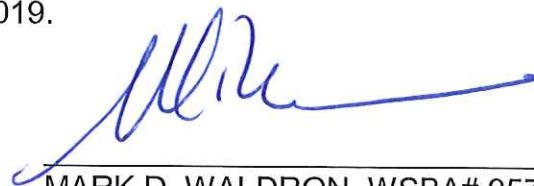
24 For purposes of calculating the Debtor's obligations under 28 USC 1930(a)(6) to pay
25 a quarterly fee to the United States Trustee, **TOTAL DISBURSEMENTS** for the month of
June 2019 from all sources were **\$505,117.73**.



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1 I certify under penalty of perjury that the information contained in this Monthly
2 Financial Report is complete, true, and accurate to the best of my knowledge, information
3 and belief.

4 **DATED** this 15th day of July, 2019.



5
6 MARK D. WALDRON, WSBA# 9578
7 Chapter 11 Trustee for the Estate of
8 Giga Watt Inc.



25 Law Offices of Mark D. Waldron
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EXHIBIT /

Ledger Report

Page: 1

Case Number: 18-03197-FPC11 FPC
 Case Name: GIGA WATT INC.
 Taxpayer ID #: 81-4797010
 Period: 06/01/19 - 06/30/19

Trustee: Mr. Mark D. Waldron (670070)
 Bank Name: Metropolitan Commercial Bank
 Account: *****25 - Checking Account
 Blanket Bond: \$0.00 (per case limit)
 Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
06/03/19		Eco Diversified Holdings	June 2019 rent for Pod 8 of Parcel E pods, Moses Lake facility	4002-00	9,000.00		126,064.44
06/03/19		Eco Diversified Holdings	Utilities for May 2019, Pod 8 of Parcel E pods, Moses Lake facility	4099-0000	17,343.01		143,407.45
06/03/19		David Knowles	Proceeds from sale of old printer	4099-0000	100.00		143,507.45
06/03/19		Wenatchee Valley Salvage & Recycling	Proceeds from sale of scrap metal, etc. from Pangborn cleanup.	4099-0000	768.80		144,276.25
06/03/19		Wenatchee Valley Salvage & Recycling	Proceeds from sale of scrap metal, etc. from Pangborn cleanup	4099-0000	126.00		144,402.25
06/03/19		Michelsen Packaging Company	Proceeds from recycling cardboard from Pangborn cleanup	4099-0000	23.73		144,425.98
06/03/19	153	Lauren Miehe	Invoice dated 4-22-19	6007-0113		12,000.00	132,425.98
06/03/19	154	Lauren Miehe	Reimbursement of costs (Invoice dated 6-2-19)	6007-0114		293.01	132,132.97
06/03/19	155	Allen Oh	Invoices for Weeks #6 and #7 (4/15/19 - 4/26/19)	6007-0113		9,937.50	122,195.47
06/03/19	156	Austin Harrison	Invoice dated 6-2-19	6007-0113		2,310.00	119,885.47
06/03/19	157	Skyler Simpson	Invoice dated 6-2-19	6007-0113		1,975.00	117,910.47
06/03/19	158	David Knowles	Invoice dated 6-2-19	6007-0113		400.00	117,510.47
06/03/19	159	Porfirio Jaimes	Invoice dated 6-2-19	6007-0113		1,488.75	116,021.72
06/03/19	160	George Washington Towing	Invoice #11418 dated 5/24/19, final invoice for cleanup at Pangborn	6004-000		5,875.00	110,146.72
06/05/19	161	Waste Management of Wenatchee	Customer ID 19-27751-03004, Invoice #0031085-2674-4	6010-000		386.07	109,760.65
06/05/19	162	Waste Management of Wenatchee	Customer ID 21-80008-43002, Invoice #0031072-2674-2	6010-000		750.93	109,009.72
06/05/19	163	Waste Management of Wenatchee	Customer ID 19-19019-33003, Invoice	6010-000		129.28	108,880.44
Subtotals :					\$27,361.54		\$35,545.54

{ Asset reference(s)

Ledger Report

Case Number: 18-03197-FPC11 FPC
 Case Name: GIGA WATT INC.

Taxpayer ID #: 81-4797010
 Period: 06/01/19 - 06/30/19

Trustee: Mr. Mark D. Waldron (670070)
 Bank Name: Metropolitan Commercial Bank
 Account: *****25 - Checking Account
 Blanket Bond: \$0.00 (per case limit)
 Separate Bond: N/A

Trans. Date	{Ref#} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
06/05/19	164	Waste Management of Wenatchee	Customer ID 18-94210-33005, Invoice #1762714-2674-2 (FINAL BILL)	6010-000		252.08	108,628.36
06/05/19	165	Waste Management of Wenatchee	Customer ID 19-52232-33005, Invoice #1761626-2674-9 (FINAL BILL)	6010-000		461.92	108,166.44
06/05/19	166	Waste Management of Wenatchee	Customer ID 19-13831-63005, Invoice #1769073-2674-6 (FINAL BILL)	6010-000		50.84	108,115.60
06/06/19		Moses Lake Facility	Mining operations	4001-000	90,779.31		198,894.91
06/07/19	167	TNT Business Complexes, LLC	Lease payment for June 2019, TNT Facility	6003-000		11,600.00	187,294.91
06/07/19		MLDC I, LLC	77% of Moses Lake revenue (through 5/31/19)	6003-000		80,875.13	106,419.78
06/10/19		David Knowles	Returned check - check written on incorrect account.	4099-000	-100.00		106,319.78
06/13/19		Moses Lake facility	Mining operations	4001-000	95,361.91		201,681.69
06/13/19	168	United Rentals	Rental Reservations #170403175 (pre-payment for forklift rental)	6004-000			200,583.58
06/13/19	169	Insta Stor Inc.	Invoice #2397 (storage container rental through July 2019)	6004-000		355.22	200,228.36
06/13/19	170	Stretto	Invoice #2870 (Including balance forward, Invoice #2834)	6007-000		7,375.60	192,852.76
06/14/19		David Knowles	Proceeds from sale of old printer	4099-000	100.00		192,952.76
06/14/19		Eco Diversified Holdings	Utilities for June 2019, Pod 8 of Parcel E pods, Moses Lake facility	4099-000	26,575.16		219,527.92
06/14/19		MLDC I, LLC	77% of Moses Lake revenue (through 6-6-19)	6003-000		69,900.07	149,627.85
06/17/19	171	Lauren Miehe	Balance owing on invoice dated 5-5-19 (4-22-19 through 5-3-19)	6007-013		13,350.00	136,277.85
06/17/19	172	Allen Oh	Balance of invoice #8, Payment of Invoices	6007-013		11,250.00	125,027.85
Subtotals :							\$212,716.38
{} Asset reference(s)							\$196,568.97

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 06/01/19 - 06/30/19

Trans. Date	Ref #/ Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
			#11 and #12 (through 5-31-19)				
06/17/19	173	Austin Harrison	Invoice dated 6-16-19 (through 6-14-19)	6007-013		2,400.00	122,627.85
06/17/19	174	Skyler Simpson	Invoice dated 6-16-19 (through 6-14-19)	6007-013		2,000.00	120,627.85
06/17/19	175	Porfirio Jaimes	Invoice dated 6-16-19 (through 6-14-19)	6007-013		1,480.00	119,147.85
06/17/19		MLDC I, LLC	Balance of Moses Lake revenue (through 6-6-19)	6003-000		20,879.24	98,268.61
06/18/19		MLDC I, LLC	77% of Moses Lake revenue (through 6-13-19)	6003-000		73,428.67	24,839.94
06/20/19		Moses Lake facility	Mining operations	4001-000	107,535.78		132,375.72
06/25/19		MLDC I, LLC	77% of Moses Lake revenue (through 6-20-19)	6003-000		82,802.55	49,573.17
06/27/19		Moses Lake facility	Mining operations	4001-000	116,899.69		166,472.86
06/28/19		MLDC I, LLC	77% of Moses Lake revenue (through 6-27-19)	6003-000		90,012.76	76,460.10
ACCOUNT TOTALS					1,187,023.76	1,110,563.66	\$76,460.10
TOTAL - ACCOUNT *****25							
		Balance Forward	117,064.44				
8		Deposits	54,036.70	23	Checks	87,219.31	
0		Interest Postings	0.00	7	Adjustments Out	417,998.42	
		Subtotal	\$171,101.14	0	Transfers Out	0.00	
					Total		\$505,217.73
4		Adjustments In	410,576.69				
0		Transfers In	0.00				
		Total	\$581,677.83				

EXHIBIT 2

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GIGA WATT INC. (18-03197-FPC11) Operating Statement

Page: 1

Period: 06/01/19 - 06/30/19

Income

4001-000 Revenue from Operating Business	\$410,576.69
4002-00 Rents	\$9,000.00
4099-000 Other Receipts	\$44,936.70
Total Income	\$464,513.39

Expenses

6003-000 Admin. Rent	\$429,498.42
6004-000 Costs to Secure/Maintain Property	\$7,328.33
6007-000 Professional Fees & Expenses	
6007-000 Professional Fees & Expenses	\$7,375.60
6007-013 Consultant for Trustee Fees	\$58,591.25
6007-014 Consultant for Trustee Expenses	\$293.01
	<hr/>
6010-000 Other Expenses	\$66,259.86
Total Expenses	\$2,031.12
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Net Income Before Distribution to Claims	\$505,117.73
	<hr/>
	\$-40,604.34

Period Covered:
June 01, 2019 - June 28, 2019
Page 1 of 10
18-03197-FPC11
GIGA WATT INC
DEBTOR
670070
Mr. Mark D. Waldron
TRUSTEE

Questions:

800.634.7734

banking.services@stretto.com

www.stretto.com

Mr. Mark D. Waldron
6711 Regents Blvd West
Tacoma WA 98466

Case Number
Case Name
Trustee Number
Trustee Name

Consolidated Balance Summary

Account	Number	Ending Balance Prior Period	Ending Balance This Period
Checking Account			
TRUSTEE CHECKING	9625	\$118,312.90	\$86,235.70
Total		\$118,312.90	\$86,235.70

Notable Information For You...

Once a check is deposited into your account, you should wait 7 business days to see if it is returned before writing checks against the deposit. Returned deposit items (RDI's) may occur due to non-sufficient funds or stop payments at the payor's bank. If you have a deposit returned, you will be notified immediately by email and sent a notice through regular mail. If you receive an RDI notice, immediately place stops on any checks on that deposit and arrange for a replacement deposit.

Period Covered:
June 01, 2019 - June 28, 2019
Page 2 of 10
18-03197-FPC11
GIGA WATT INC
DEBTOR
670070
Mr. Mark D. Waldron
TRUSTEE

Questions:
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TRUSTEE CHECKING

Account Number: **9625**

Enclosures	24	Beginning Balance	\$118,312.90
		+Total Additions	\$464,613.39
		-Total Subtractions	\$496,690.59
		Ending Balance	\$86,235.70

* Indicates a Skip in Check Number(s)
"E" Indicate an Electronic Check

Checks

Check #	Date	Amount
150	06-05	\$975.00
151	06-05	\$149.18
152	06-05	\$124.28
153	06-10	\$12,000.00
154	06-10	\$293.01
155	06-11	\$9,937.50
156	06-11	\$2,310.00
157	06-10	\$1,975.00
158	06-11	\$400.00
159	06-10	\$1,488.75
160	06-11	\$5,875.00
161	06-13	\$386.07
162	06-13	\$750.93
163	06-13	\$129.28
164	06-13	\$252.08
165	06-13	\$461.92
166	06-13	\$50.84
167	06-11	\$11,600.00
168	06-19	\$1,098.11
169	06-25	\$355.22
171*	06-24	\$13,350.00
172	06-21	\$11,250.00
174*	06-25	\$2,000.00
175	06-24	\$1,480.00

Debits

Date	Description	Subtractions
06-07	WIRE TO MLDC 1 LLC	\$80,875.13
06-10	RETURN CHECK FROM DEPOSIT	\$100.00
06-17	WIRE TO MLDC 1 LLC	\$69,900.07
06-17	WIRE TO MLDC 1 LLC	\$20,879.24
06-18	WIRE TO MLDC 1 LLC	\$73,428.67

Period Covered:
June 01, 2019 - June 28, 2019
Page 3 of 10
Subtractions
\$82,802.55
\$90,012.76

Date	Description
06-25	WIRE TO MLDC 1 LLC
06-28	WIRE TO MLDC 1 LLC

Credits

Date	Description	Additions
06-05	REMOTE DEPOSIT REF#0100005	\$27,361.54
06-06	WIRE FROM COINME INC	\$90,779.31
06-13	WIRE FROM COINME INC	\$95,361.91
06-17	REMOTE DEPOSIT REF#0100006	\$26,675.16
06-20	WIRE FROM COINME INC	\$107,535.78
06-27	WIRE FROM COINME INC	\$116,899.69

Daily Balances

Date	Amount	Date	Amount	Date	Amount
06-05	\$144,425.98	06-06	\$235,205.29	06-07	\$154,330.16
06-10	\$138,473.40	06-11	\$108,350.90	06-13	\$201,681.69
06-17	\$137,577.54	06-18	\$64,148.87	06-19	\$63,050.76
06-20	\$170,586.54	06-21	\$159,336.54	06-24	\$144,506.54
06-25	\$59,348.77	06-27	\$176,248.46	06-28	\$86,235.70